

RECORDATION NO 25664-D FILED

AUG 07 '07

4-15 PM

SURFACE TRANSPORTATION BOARD

RECEIVED
AUG 7 2007
MANAGEMENT
373

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
Fax 847.318.7588

VIA UPS 2nd DAY AIR

August 3, 2007

Mr. Vernon Williams
Surface Transportation Board
395 E Street S.W., Suite 100
Washington, D. C. 20024
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and one (1) copy of a Memorandum of Lease Agreement dated July 10, 2007, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Surface Transportation Board under Recordation Number 25664.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: TOLKO INDUSTRIES, LTD.
3203 30th Avenue
Vernon, B. C.
V1T 6M1 Canada

A description of the railroad equipment covered by the enclosed document is fifty five (55) 73' centerbeam rail cars; having CBRY and NOKL marks (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: **Memorandum of Lease**

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5397. Thank you for your cooperation in this matter.

Very truly yours,



Marcia Dunne
Rail Documentation Specialist

Enclosures
(TOLK013)

AUG 07 '07

4:15 PM

ASSGN. NO.: TOLK013

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 10th day of July, 2007, by and between FIRST UNION RAIL CORPORATION (the "Lessor"), a North Carolina corporation, and TOLKO INDUSTRIES, LTD. (the "Lessee") a Canadian corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of May 27, 2005, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 5 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of October 1, 2005, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. SeymourName: RICHARD F. SEYMOUR
Vice President Sales & MarketingBy: Susan Grokulska

Title: _____

Name: SUSAN GROKULSKYTitle: ASST. DIRECTOR OF DOCUMENTATION Executed on this 10th day of July, 2007.

[CORPORATE SEAL]

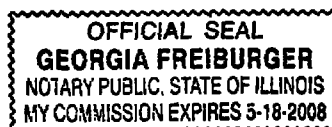
STATE OF ILLINOISCOUNTY OF COOK

I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 10th day of July, 2007.

Notary Public

My Commission Expires:

5-2008
(Notary Public)

LESSEE:

TOLKO INDUSTRIES, LTD.

NAME: FRED H STEHLE

TITLE: CORP SEC.

SIGNATURE: [Signature]

Executed on this 18 day of June, 2007.

PROVINCE OF B.C.

DISTRICT OF _____

I, Kent G. Burnham, a Commissioner of Oaths of the Province and District aforesaid, certify that Fred H. Stehle personally appeared before me this day and acknowledged his/her execution of the foregoing Memorandum of Lease.

WITNESS my hand of official stamp of seal this 18 day of June, 2007.

[Signature]
Commissioner of Oaths

My commission expires:

[Signature]
(Commissioner of Oaths)

KENT G. BURNHAM
Barrister & Solicitor
4th Floor, 3201 - 30th Avenue
Vernon, B.C. + V1T 2C6

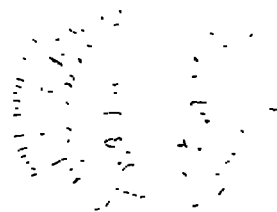


EXHIBIT A – MEMORANDUM OF LEASE

NUMBER OF CARS: Fifty-five (55).

DESCRIPTION OF CARS: 73' centerbeam rail cars, capable of a gross rail load of 268,000 lbs.

CAR NUMBERS: CBRY 2100 to CBRY 2111 inclusive,
CBRY 2113 to CBRY 2125 inclusive,
CBRY 2127 to CBRY 2139 inclusive, CBRY2141,
CBRY 2143 to CBRY 2155 inclusive
NOKL 730094, NOKL 730406 and NOKL 730412.